

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7519

BILL NUMBER: SB 462

NOTE PREPARED: Jan 9, 2007

BILL AMENDED:

SUBJECT: Riverboat Economic Development Agreements.

FIRST AUTHOR: Sen. Jackman

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED:

GENERAL

IMPACT: State & Local

**X DEDICATED
FEDERAL**

Summary of Legislation: The bill provides that the Gaming Commission has continuous jurisdiction over riverboat economic development agreements. It establishes reporting requirements for the recipients of incentive payments under the agreements.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Summary:* The bill will result in additional administrative responsibilities for the Indiana Gaming Commission (IGC). The fiscal impact that might arise from these new responsibilities is indeterminable. However, any additional expenses would be paid from Riverboat Wagering Tax revenue annually appropriated to IGC for administrative purposes. (Note: Current statute provides that sufficient funds are annually appropriated to the IGC from Riverboat Wagering Tax revenue deposited in the State Gaming Fund to administer the riverboat gambling laws.) In FY 2006, this distribution totaled about \$2.4 M.

IGC Oversight of Development Agreements: The bill specifies that the IGC has continuous jurisdiction over "development agreements" between persons or local units and riverboat casino owners or the operating agent of the French Lick casino. It also authorizes the IGC to verify and ensure that development agreements, incentive payments, and disbursements of incentive payment money received by persons or local units comport with the purposes of the riverboat gambling laws and don't adversely affect the integrity of the riverboat gambling industry in Indiana. A "development agreement" is defined as an agreement between a

riverboat casino owner or the operating agent of the French Lick casino and a person or local unit that specifies the owner's or operating agent's financial commitments to support economic development in a local unit or a geographic region. The bill defines an "incentive payment" as any payment that a riverboat casino owner or the operating agent of the French Lick casino must make under a development agreement.

Annual Incentive Payment Reports: The bill requires recipients of riverboat incentive payments to annually report to the IGC an accounting of: (1) the incentive payment received by the recipient; and (2) any disbursements of incentive payment money received by the recipient. The bill also requires incentive payment recipients to furnish sufficient documentation to prove the validity of an incentive payment transaction to the IGC if the IGC requests this information. The bill requires that the report include the legal name of the incentive payment recipient and the date, amount, and purpose of each disbursement of incentive payment money.

The bill also requires that these reports must be made available electronically through the computer gateway administered by the state Office of Technology.

Background: Under current statute, riverboat casino owners and the operating agent of the French Lick casino must report annually to the IGC the total dollar amounts and recipients of incentive payments made during the year, and report any other items related to the incentive payments that the IGC may require.

Explanation of State Revenues:

Explanation of Local Expenditures: The new reporting requirements under the bill likely will have a minimal administrative impact on local units receiving incentive payments.

Explanation of Local Revenues:

State Agencies Affected: Indiana Gaming Commission.

Local Agencies Affected: Local units receiving riverboat incentive payments.

Information Sources:

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